

**Appendix 1**

**AGREEMENT ON THE COLLATERALIZATION OF SBIS**  
**IN PURPOSE OF REPO SBIS**

No. ....

On this day, ....., date .....month .....year ..... (*date in numerals*),  
the undersigned : -----

1. .... Name ....., Capacity .... Work Unit ..... of Bank Indonesia,  
residing in ....., in this case acting based on  
the authority of the Governor of Bank Indonesia  
which is drawn up privately, dated .....  
(*date in numerals*), Number ....., adequately  
stamped and affixed to this Agreement, therefore, as  
the authority of the Governor of Bank Indonesia  
based on Article 39 Act No. 23 of 1999 concerning  
Bank Indonesia as amended by Act No. 3 of 2004,  
and, therefore, for and on behalf of and legally  
representing Bank Indonesia, located in Jakarta,  
hereinafter to be referred to as the FIRST PARTY; --
2. .... Name ....., Director .... (Capacity) ....., residing in ....., in  
this case acting in his/her capacity, therefore,  
representing the Board of Directors of and, therefore,  
for and on behalf of and legally representing the  
Limited Liability Company PT Bank ....., based  
on Article ..... of its Statutes contained in the  
Notary Act ....., Number ....., dated ..... (*date  
in numerals*), which is contained in the Official  
Government Gazette of the Republic of Indonesia  
dated ....., Number ....., Supplement Number .....,  
all together with latest amendments under the Notary  
Act ....., Number ....., dated ....., which is  
contained in the Official Government Gazette of the  
Republic of Indonesia dated ....., Number .....,  
Supplement Number ....., hereinafter to be referred to  
as the SECOND PARTY; -----

or (*If the Board of Directors of Bank has to obtain approval of the Board of  
Commissioners*) :

2. ... Name ...

2. .... Name ....., Director .... (Capacity) ....., residing in ....., in this case acting in his/her capacity, therefore, representing the Board of Directors of and, therefore, for and on behalf of and legally representing the Limited Liability Company PT Bank ....., based on Article ..... of its Statutes contained under the Notary Act ....., Number ....., dated ....., (*date in numerals*) which is contained in the Official Government Gazette of the Republic of Indonesia dated ....., Number ....., Supplement Number ....., together with latest amendments under the Notary Act ....., Number ....., dated ....., contained in the Official Government Gazette of the Republic of Indonesia dated ....., Number ....., Supplement Number ....., and to take legal actions in this Agreement has received a written approval of the Board of Commissioners of the Company, as stated in the Letter of Approval dated ....., adequately stamped and affixed to this Agreement, hereinafter to be referred to as the SECOND PARTY; -----

*The words "Letter of Approval" may be changed with "Power of Attorney", depending on the Statutes of the company, whether a letter of approval of the board of commissioners/management is sufficiently eligible for an assignment of a company representative or it has to use a power of attorney.*

*or (If the Board of Directors of Bank has to obtain approval of the Shareholder General Meeting in using the whole or the greater part of company's assets to guarantee loans vide Article 102 Act Number 40 of 2007 concerning Limited Liability Companies):*

2. .... Name ....., Director .... (Capacity) ....., residing in ....., in this case acting in his/her capacity, therefore, representing the Board of Directors of and, therefore, for and on behalf of and legally representing the Limited Liability Company PT Bank ....., based on Article ..... of its Statutes contained in the Notary Act ....., Number ....., dated ..... which is contained in the Official Government Gazette of the Republic of Indonesia dated ....., Number .....,

Supplement ...

Supplement Number ....., all together with latest amendments under the Notary Act ..., Number ..., dated ....., contained in the Official Government Gazette of the Republic of Indonesia dated ....., Number ....., Supplement Number ....., and to take legal actions in this Agreement has obtained approval of the Shareholder General Meeting of dated ....., as clearly stated in ..... affixed to this Agreement, hereinafter to be referred to as the SECOND PARTY; -----

*or (If represented by BUS or UUS official with a power of attorney of the Board of Directors):*

2. .... Name ....., Director .... (Capacity) ....., residing in ....., in this case acting in his/her capacity, therefore, representing the Board of Directors based on Power of Attorney Number ..... dated ..... of and, therefore, for and on behalf of and legally representing the Limited Liability Company PT Bank ....., located and with head office in ..... namely a company that is established based on laws and regulations of the Republic of Indonesia whose Statutes is contained in the Notary Act ....., Number ....., dated .....(date in numerals), contained in the Official Government Gazette of the Republic of Indonesia dated ....., Number ....., Supplement Number ....., all together with latest amendments under the Notary Act ....., Number ..., dated ....., which is contained in the Official Government Gazette of the Republic of Indonesia dated ....., Number ....., Supplement Number .....,

*If the SECOND PARTY is a BUS or UUS of foreign legal entity, the personal appearance shall be as follows.*

2. .... Name ....., Capacity, residing in ....., in this case acting based on the power of Power of Attorney number ....., dated ....., drawn up before ....., Notary Public in Jakarta, therefore, acting for and on  
behalf ...

behalf of ....., branch in Indonesia, a bank that is established based on laws ..... (country of foreign bank head office) ....., and in this case acting through its branch office in Indonesia, located in Jakarta, ..... address....., hereinafter to be referred to as the SECOND PARTY; -----

Both Parties unanimously agree to sign up an Agreement on the Collateralization of SBIS in purpose of Repo SBIS with terms and conditions as follows.

#### Article 1

- (1) The FIRST PARTY shall provide Repo SBIS to the SECOND PARTY at the maximum amount of the nominal value of the SBIS which is collateralized by the SECOND PARTY to the FIRST PARTY.
- (2) The SECOND PARTY shall receive and use the Repo SBIS as referred to in paragraph (1) from the FIRST PARTY the amount of which is contained and printed in Computer Outputs (HOK) of the Scripless Securities Settlement System Central Computer (SCC) available in the Bank Indonesia Scripless Securities Settlement System (BI-SSSS).
- (3) The FIRST PARTY and the SECOND PARTY accept and approve the HOK as referred to in paragraph (2) as the only document which proves the amount of the Repo SBIS used by the SECOND PARTY simultaneously constituting the document which proves the amount of the loan of the SECOND PARTY obtained from the FIRST PARTY arising as a result of the using of the Repo SBIS by the SECOND PARTY.
- (4) The FIRST PARTY and the SECOND PARTY agree to accept and use the HOK as referred to in paragraph (2) as the legal and authentic evidence and constitutes an inseparable part from this Agreement.

#### Article 2

- (1) The SECOND PARTY hereby declares to pledge the SBIS as referred to in Article 1 paragraph (1) held by the SECOND PARTY with SBIS series numbers as registered in the Securities Account with the BI-SSSS to guarantee redemption orderly and as it should be any and the whole amount of the money borrowed and payable by the SECOND PARTY to the FIRST PARTY either for loan principal, charges, and other amount borrowed by the SECOND PARTY as the result of the using of the Repo SBIS extended by the FIRST PARTY to the SECOND PARTY.
- (2) The SECOND PARTY hereby cedes the rights on the SBIS as referred to in paragraph (1) registered in the BI-SSSS to the FIRST PARTY to exercise his/her rights based on this pledge.

(3) The ...

- (3) The pledging of the SBIS as referred to in paragraph (1) and (2) shall be declared effective as from the receipt of the Repo SBIS by the SECOND PARTY.
- (4) The SECOND PARTY accepts well the series numbers of the SBIS collateralized by the SECOND PARTY to the FIRST PARTY as registered in the BI-SSSS based on the recording and the HOK at Bank Indonesia as the perfect evidence.

#### Article 3

- (1) The SECOND PARTY is required to conduct redemption on the received Repo SBIS on maturity day no later than the BI-RTGS System cut-off warning in accordance with Bank Indonesia regulatory provisions concerning Repo SBIS.
- (2) The SECOND PARTY may reuse the collateralized SBIS after the SECOND PARTY conducts redemption as referred to in paragraph (1).
- (3) If the SECOND PARTY fails to conduct redemption on the received Repo SBIS upon its maturity day as referred to in paragraph (1), the FIRST PARTY shall conduct redemption settlement on the series of the collateralized SBIS before maturity (early redemption) in accordance with Bank Indonesia regulatory provisions concerning Repo SBIS.
- (4) If the early redemption as referred to in paragraph (3) is inadequate, the FIRST PARTY shall debit the Demand Deposit Account of the SECOND PARTY amounting to the shortage.

#### Article 4

If this Agreement comes to an end due to the reason as referred to in Article 6 paragraph (1), the FIRST PARTY shall be authorized to debit the Demand Deposit Account of the SECOND PARTY with the FIRST PARTY for the redemption of the Repo SBIS obtained by the SECOND PARTY.

#### Article 5

The FIRST PARTY shall impose charges on the using of the Repo SBIS as regulated in provisions concerning Repo SBIS.

#### Article 6

- (1) This Agreement shall end if :
  - a. The FIRST PARTY revokes regulatory provisions concerning Repo SBIS;
  - b. The business license and activities of the SECOND PARTY are revoked and liquidized by the authorized institution;
- (2) The termination of this Agreement shall not write off the whole liabilities of the SECOND PARTY arising as the result of the extension of the Repo SBIS.

Article 7 ...

#### Article 7

- (1) The SECOND PARTY agrees that the FIRST PARTY has the authority to determine the occurrence of default of the SECOND PARTY according to this Agreement.
- (2) If any liability of the SECOND PARTY according to this Agreement is required to be implemented within a specific time, just a lapse of time has sufficiently proved that the SECOND PARTY has neglected its liabilities, that a warning by a bailiff or of its kind shall be no longer necessary.
- (3) The SECOND PARTY declares to relinquish his/her rights to deny the amount borrowed by the SECOND PARTY to the FIRST PARTY.

#### Article 8

If for an action it is required a specific Power of Attorney, such power shall be considered already contained in this Agreement.

#### Article 9

If this Agreement comes to an end as referred to in Article 6, both parties agree that:

- a. revocation of this Agreement shall be automatically in effect;
- b. revocation of this Agreement shall not comply with provisions in Article 1266 Civil Code and Article 1267 Civil Code.

#### Article 10

- (1) Any notification and/or correspondence between the FIRST PARTY and the SECOND PARTY in relation to this Agreement shall be exercised in writing and considered already submitted to the concerned party by the presence of a written receipt from the FIRST PARTY and/or the SECOND PARTY.
- (2) Any notification and/or correspondence as referred to in paragraph (1) shall be addressed to
  - a. The FIRST PARTY : BANK INDONESIA  
Directorate of Monetary Management  
Attn. Monetary Operation Bureau  
Jl. M.H. Thamrin No. 2  
Jakarta 10350
  - b. The SECOND PARTY : .....

#### Article 11

This Agreement shall comply with Indonesian laws.

#### Article 12

- (1) In the event of any disagreement as the result of the implementation of this Agreement, both parties agree to settle through a discussion to reach an agreement.

(2) In ...

- (2) In the event of any failure in the settlement through a discussion to reach an agreement as referred to in paragraph (1), both parties agree to settle through the court and choose the permanent residence and domicile in the Central Jakarta District Court.

Article 13

Both Parties agree that any other provision which has not been regulated in this Agreement and any amendment to this Agreement shall be stipulated further in the form of addendum or letter as a unity and inseparable part from this Agreement.

Article 14

This Agreement is signed up on the day and date as referred to in the beginning of this Agreement, issued in duplicate, adequately stamped and possessing the same legal force respectively.

THE FIRST PARTY,

THE SECOND PARTY,

## **Appendix 2**

### **EXAMPLE OF CALCULATION OF REPO SBIS**

On March 26, 2008, BUS “A” submitted a Repo SBIS amounting to Rp1 billion with data and information as follows.

Date of SBIS issuance	: March 5, 2008
SBIS tenor	: 1 (one) month
Date of SBIS maturity	: April 2, 2008
BI rate	: 8%
Date of Repo SBIS proposition	: March 26, 2008
Date of Repo SBIS settlement (1 <sup>st</sup> Leg)	: March 26, 2008
Date of Repo SBIS maturity (2 <sup>nd</sup> Leg)	: March 27, 2008
Nominal value of SBIS under repo	: Rp1,000,000,000.00

$$\text{Repo SBIS Fee} = \text{BI rate} + 300 \text{ bps} = 8\% + 3\% = 11\%$$

#### **On First Leg**

BUS “A” which proposed the Repo SBIS to Bank Indonesia would receive funds at a nominal value of Rp1,000,000,000.00.

#### **On Second Leg**

BUS “A” exercised a redemption of the Repo SBIS it received with calculation as follows.

Nominal value of 1 month SBIS under repo	Rp1,000,000,000.00
Repo SBIS fee	11%
Amount of Repo SBIS fee to be paid by BUS “A”	$[\text{Rp1,000,000,000.00} \times (1 / 360) \times 11\%]$ = <b>Rp305,555.56</b>
Total amount to be paid by BUS “A” by debiting its demand deposit account with Bank Indonesia (nominal value + Repo SBIS fee)	Rp1,000,305,555.56



### **Appendix 3**

#### **EXAMPLE OF CALCULATION OF REPO SBIS IN EARLY REDEMPTION**

The balance of Demand Deposit Account of BUS “A” which received Repo SBIS of Rp1 billion from Bank Indonesia on March 26, 2008 was inadequate for the Repo SBIS redemption settlement on March 7, 2008. Accordingly, Bank Indonesia implemented an early redemption of the SBIS held by BUS “A” with details as follows.

<b>BUS “A” Liabilities to Bank Indonesia</b>	
Nominal value of 1 month Repo SBIS	Rp1,000,000,000.00
Repo rate	8% + 3% = 11%
Amount of Repo SBIS fee to be paid	$[Rp1,000,000,000.00 \times (1/360) \times 11\%]$ = <b>Rp305,555.56</b>
Sanction of 1% due to cancellation of second leg settlement	$Rp1,000,000,000.00 \times (1/1000)$ = <b>Rp1,000,000.00</b>
Total liabilities to be settled by BUS “A” to Bank Indonesia due to the failure in second leg settlement (Repo SBIS nominal value + Repo SBIS fee + sanction 1%)	$Rp1,000,000,000.00 + Rp305,555.56 + Rp1,000,000.00$ = <b>Rp1,001,305,555.56</b>
<b>Bank Indonesia Liabilities to BUS “A”</b>	
Nominal value of 1 month SBIS paid in full by Bank Indonesia before maturity	Rp1,000,000,000.00
SBIS maturity of early redemption	<b>21 days</b>
SBIS rights to be paid by Bank Indonesia to BUS “A”	$[Rp1,000,000,000.00 \times (21/360) \times 8\%]$ = <b>Rp4,666,666.67</b>
Total liabilities to be settled by Bank Indonesia to BUS “A” (SBIS nominal value + SBIS rights)	$Rp1,000,000,000.00 + Rp4,666,666.67$ = <b>Rp1,004,666,666.67</b>
<b>Total Bank Indonesia Liabilities to BUS “A” (net)</b>	$Rp1,004,666,666.67 - Rp1,001,305,555.56$ = <b>Rp3,361,111.11</b>